

BY LAWS
OF
SAN PEDRO PROPERTY OWNERS ALLIANCE

A California Nonprofit Mutual Benefit Corporation

Revised October 4, 2017



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**BYLAWS
OF
SAN PEDRO PROPERTY OWNERS' ALLIANCE**

A California Nonprofit Mutual Benefit Corporation

ARTICLE I. OFFICES

SECTION 1.1 PRINCIPAL OFFICE

The principal office for the transaction of the business of the corporation (“principal executive office”) is presently located at 390 W. 7th Street San Pedro, CA 90731.

ARTICLE II. OBJECTIVES AND PURPOSES

The primary purposes of the corporation are to develop, restore, protect, promote, and maintain the San Pedro, California Historic Downtown and Waterfront areas, in order to make it a more successful, attractive, and popular destination for tourists, shoppers, property owners, business people and others. In furtherance of the foregoing purposes, from time to time, the corporation intends to enter into agreements with the City of Los Angeles, other governmental or quasi-governmental instrumentalities, or private entities. Other purposes of the corporation not inconsistent with the foregoing or California or federal nonprofit entity law may be pursued as the Board of Directors may instruct from time-to-time.

Nothing in this Article II or in any other Article of these Bylaws shall be construed as a limitation on the purposes or powers of the corporation. Notwithstanding any other provision of these Bylaws, the corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986 as amended.

ARTICLE III. DEDICATION OF ASSETS

No part of the net earnings or assets of the corporation shall ever inure to the benefit of any director or officer of the corporation or to the benefit of any private individual whatsoever (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes).

ARTICLE IV. MEMBERS

The corporation shall have no members.

ARTICLE V. DIRECTORS

SECTION 5.1 POWERS

a. Voting and Other Rights. Any section, which would, by operation of law or otherwise, require a vote of members shall require only a vote of the directors. All rights, which would, by operation of law or otherwise, vest in the members, shall vest in the directors.

b. Corporate Powers. Subject to the provisions of the California Nonprofit Corporation Law and any limitations in the Articles of Incorporation and these Bylaws, the business and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the board of directors. Without prejudice to these general powers, and subject to the same limitations, the directors shall have the power to:

- i. Select and remove all officers, agents, and employees of the corporation; prescribe any powers and duties for them that are consistent with law, with the Articles of Incorporation and with these By Laws; fix their compensation; and require from them security for faithful service.
- ii. Conduct, manage and control the affairs and business of the corporation, and make such rules and regulations therefore not inconsistent with law, with the Articles of Incorporation or with these Bylaws, as they may deem appropriate.
- iii. Change the principal executive office of the principal business office in the State of California from one location to another; cause the corporation to be qualified to do business in any other state, territory, dependency or country and conduct business within or outside the State of California; and designate any place within the District in which it conducts its regular business holding of any meeting or meetings, including annual meetings.
- iv. Adopt, make and use a corporate seal; and, alter the form of the seal.
- v. Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities.

SECTION 5.2 NUMBER AND SELECTION OF DIRECTORS AND RESTRICTIONS ON DIRECTORS

a. Authorized number. The authorized number of directors shall be not less than three (3) nor more than twenty one (21), the exact number to be fixed from time to time by a majority of the then authorized and acting directors. The initial authorized number of directors of the corporation shall be seven (7) until changed by the directors. No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of said director's term of office, unless a director is affirmatively removed as hereinafter provided. At any one time, no more than two (2) directors shall be residential parcel owners, no more than four (4) directors shall be at-large members of which two shall be tenants of the Port of Los Angeles serving in accordance with Section 5.2c of these Bylaws; all other directors shall be commercial parcel owners as defined in these Bylaws.

b. Staggered terms. The directors initially shall be divided into three (3) classes as nearly equal in number as may be. At the annual meeting of the board of directors held in 2009, a class of two (2) directors shall be elected for a one (1) year term, a class of two (2) directors shall be elected for a two (2) year term, and a class of three (3) directors shall be elected for a three (3) year term. Commencing with the annual meeting of the board of directors held in 2010 and at each succeeding annual meeting of the board of directors, successors to the class of directors, whose terms expire at such annual meeting, shall be elected for a three (3) year term. Each director, including a director elected to fill a vacancy, shall hold office until expiration of the term for which elected or until the end of the term of that director's predecessor.

c. Eligibility to be a director. Each director shall be a natural person who either is a Commercial or Residential Parcel Owner (collectively "parcel owner") in good standing, an at-large director, a Port of Los Angeles tenant designated by the Port of Los Angeles and approved as at-large directors by the other directors, or an authorized representative of a parcel owner in good standing, as defined below. A director need not be a resident of the State of California. Upon standing for election as a director, he or she represents that he or she meets all eligibility requirements set forth in these Bylaws. Once elected in accordance with these Bylaws, a director has no power to appoint or designate anyone else to carry out his or her rights or duties as a director, including the right to vote.

i. Commercial parcel owner. As used in these Bylaws, a commercial parcel owner means the owner or master lessee of one or more parcels of real property that is included in, and assessed under, the business improvement district managed by the corporation (each such parcel shall be referred to hereinafter as a "parcel").

a. Authorized Representative. As used in these Bylaws, an authorized representative of a commercial parcel owner shall be:

A representative of the commercial parcel owner who serves with the written permission of the commercial

parcel owner and has express power to make commitments on behalf of the commercial parcel owner in matters related to governing the association; or

A member of the commercial parcel owner's family with the express power to make commitments on behalf of the commercial parcel owner in matters related to governing the association.

Commercial parcel owners shall provide 60 days written notice requesting a change in an authorized representative to serve on the board. The request shall be approved by the Board of Directors.

ii. Residential parcel owner. As used in these Bylaws, a residential parcel owner means a property manager of a multi-unit residential building designated by the property owner or the president of a condominium association who owns one or more parcels of real property that is included in, and assessed under, the business improvement district managed by the corporation (each such parcel shall be referred to hereinafter as a "parcel") and who is a full-time resident of one such parcel.

a. Authorized Representative. As used in these Bylaws, an authorized representative of a residential parcel owner shall be:

A full-time resident of a parcel of real property that is included in, and assessed under, the business improvement district managed by the corporation, and, if applicable, who is an officer or director of the same condominium association as the president and who is authorized in writing by said president condominium association to represent him or her, or a property manager of a multi-unit residential building designated by the property owner.

Residential parcel owners shall provide 60 days written notice requesting a change in an authorized representative to serve on the board. The request shall be subject to approval by the Board of Directors.

iii. At-Large Board Member

An at-large board member is a board member possessing a specific skill set determined by the Board to be useful and not otherwise present on the board. An "at large" member is nominated and elected in accordance with these bylaws for other directors and has the same voting rights as other members of the board.

iv. Good standing. As used in these Bylaws, a parcel owner is in "good standing" only if such parcel owner is not delinquent with respect to any referenced assessments relating to such parcel owner's parcel(s).

v. Any determination required under these Bylaws as to the identity of the parcel owners or the parcels, and as to whether a parcel owner is in good standing, shall be based solely upon the applicable records of the County of Los Angeles as they exist at the time such determination is required, without regard to any litigation, challenge, or dispute of record or otherwise.

d. Selection. The board of directors shall be selected as follows:

i. Initial directors. The initial directors shall be elected by the incorporators named in the corporation's Articles of Incorporation.

ii. Subsequent directors. At the expiration or earlier termination of the terms of office of the initial directors, their successors shall be chosen by a majority vote of the members of the board of directors then in office, or by a sole remaining director.

iii. Election process. The election process for the election of directors to be held at each annual meeting of the board of directors, commencing with the first annual meeting held in 2009, shall be governed by the provisions of this Section 5.2.d.iii.

a. Appointment of nominating committee. In October of each year, the President, or the chairperson of the board if one exists, shall appoint a nominating committee consisting of at least three persons, who may be directors whose terms are not set to expire at the next annual meeting or other natural persons (non-directors) who will not seek nomination as a director at the next annual meeting. Promptly following the appointment of the nominating committee, the President, or chairperson of the board if one exists, shall cause to be distributed to each director the names of the appointees to the nominating committee. The nominating committee shall select its own chairperson.

b. Solicitation of names for consideration. In November of each year, the nominating committee shall

deliver written notice to each parcel owner of the number of directors it recommends be elected at the next annual meeting either to renewed terms or so as to fill an open seat or increase or decrease the total number of directors subject to these bylaws, and of such parcel owner's right to submit to the nominating committee, within not more than calendar ten (10) days after notification of directors to be elected, the names of additional persons for consideration by the nominating committee for nomination. The nominating committee shall consider the additional names presented before concluding its nominating process as provided in these bylaws.

c. Nomination of slate of nominees. Before the end of December of each year, the nominating committee shall nominate a number of persons for election at the annual meeting to be held in or about February equal to the number of directors to be elected at that next annual meeting. To the extent advisable as determined by the nominating committee, the slate of persons nominated by the nominating committee (i) shall reflect the diversity of all of the parcels in terms of their respective geographic locations (e.g., back street, side street or main street) and in terms of their respective uses (e.g., residential building, office building, theater, restaurant, museum, attraction, retail, parking, or other use). Before nominating a person, the nominating committee shall make reasonable efforts (i) to determine whether such person meets the eligibility requirements under Section 5.2.c hereof, and (ii) to interview such person to ensure that he or she is otherwise qualified (as determined by the nominating committee), and (iii) is willing to serve as a director if elected. Such slate of persons shall be voted on individually or as a group by the board of directors at the next annual meeting to have been duly elected.

SECTION 5.3 VACANCIES

a. Events Causing Vacancy. A vacancy or vacancies in the board of directors shall be deemed to exist on the occurrence of the following;

i. The death or resignation of any director, or the termination of his eligibility based solely upon the then applicable records of the County of Los Angeles;

ii. The declaration by resolution of the board of directors of a vacancy of the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or has been found by final order or judgment of any court to have breached a duty under Sections 7230 and following of the California Nonprofit Mutual Benefit Corporation Law;

iii. The vote of a majority of the directors then in office to remove a director;

iv. An increase in the authorized number of directors;

v. The failure to elect the number for directors to be elected at a meeting at which any director or directors are to be elected.

vi. In addition, if any director shall fail to attend three (3) consecutive regular meetings of the board of directors, without approved leave of absence by the president, then such director shall be deemed to have automatically resigned and the vacancy may be filled for the balance of the unexpired term by an eligible person appointed by the board of directors. Any such automatic resignation shall be announced at the next board meeting and may be reviewed by the board of directors only at that next board meeting, and if not challenged by a majority of the board then present, the automatic resignation shall be deemed reasonable, final, and not subject to subsequent review.

b. Resignations. Except as provided in this paragraph, any director may resign, which resignation shall be effective on giving written notice to any chairperson of the board of directors, the president, the secretary, or the Executive Director, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, the board of directors may elect a successor to take office as of the date when the resignation becomes effective. Except upon notice to the Attorney General, no director may resign when the corporation would then be left without a duly elected director or directors in charge of its affairs.

c. Vacancies Filled by Directors. Vacancies on the board of directors may be filled by the affirmative vote of a majority of the remaining directors then in office or by the sole remaining director. Any director elected to fill a vacancy shall have the same remaining term as that of his or her predecessor, or, if such

vacancy is a result of an increase in the number of directors prior to the Annual Meeting, a term of three years.

d. No Vacancy on Reduction of Number of Directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office otherwise expires.

e. Restriction on Interested Directors. Not more than 49% of the persons serving on the board of directors at any time may be interested persons. An interested person is:

i. Any person being compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; or,

ii. Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of any such person. Any violation of the provisions of this paragraph shall not, however, affect the validity or enforceability of any transaction entered into by the corporation.

SECTION 5.4 EX-OFFICIO AND HONORARY DIRECTORS

There shall be no ex-officio or honorary directors.

SECTION 5.5 PLACE OF MEETINGS, ELECTRONIC MEETINGS

Regular meetings of the board of directors may be held at any place within the District's boundaries that has been designated from time to time by the vice president / secretary. In the absence of such designation, regular meetings shall be held at the principal executive office of the corporation each month. Special meetings of the board of directors shall be held at any place within the District that has been designated in the notice of the meeting or, if not stated in the notice, or if there is no notice, at the principal executive office of the corporation. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, as long as all persons participating in the meeting, including any public participants, can hear one another, and all such directors shall be deemed to be present in person at each such meeting. The public shall have access to these locations for purposes of the meeting and be provided an opportunity to speak, including at any electronic meeting. Voting, if required in an electronic meeting, shall be conducted by roll call. No secret ballots shall be allowed. At least a quorum of the directors must participate in the teleconference within the boundaries of the District.

SECTION 5.6 ANNUAL MEETING

The annual meetings of the board of directors shall be held for the purpose of organization, election of directors and officers, and the transaction of other business. Annual meetings shall be held in or about February of each year. Notice of this meeting shall be provided by mail to each parcel owner and all board members within the District.

SECTION 5.7 REGULAR MEEINGS

Regular meetings of the Board of Directors shall be held a minimum of 6 times per year at a time and place within the District determined by the President.

SECTION 5.8 SPECIAL MEETINGS

a. Authority to Call. Special meetings of the board of directors for any purpose may be called at any time by the chairman of the board of directors, if any, the president, the vice president / secretary, or any two directors.

b. Notice.

i. Manner of giving. Notice of the time and place of special meetings shall be provided to each director and to all media outlets and others who have requested notification, and shall be posted at the place of the meeting, at least 24 hours prior to the meeting.

ii. Notice contents. Such notice shall state the time, location and the business to be transacted at the special meeting.

SECTION 5.9 QUORUM

The number of directors in office required to constitute a quorum for the transaction of business, except to adjourn as provided in Section 5.11, shall be a simple majority. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the board of directors, subject to the provisions of law or the Articles of Incorporation, especially those provisions of the California Nonprofit Mutual Benefit Corporation Law relating to:

i. Approval of contracts or transactions in which a director has a direct or indirect material financial interest;

ii. Appointment of committees, and,

iii. Indemnification of directors.

A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of one or more directors constituting the initial quorum, if any action taken is approved by at least a majority of the required quorum for that meeting.

SECTION 5.11 ADJOURNMENT

A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place subject to the notice requirements for a special meeting.

SECTIONS 5.12 AND 5.13: DELETED AND RESERVED.

SECTION 5.14 REIMBURSEMENT OF EXPENSES AND COMPENSATION OF DIRECTORS

Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be determined by resolution of the board of directors to be just and reasonable.

SECTION 5.15 NO LIABILITY OF DIRECTORS

No director shall be personally liable for the debts, liabilities or obligations of the corporation.

ARTICLE VI. COMMITTEES

SECTION 6.1 COMMITTEES OF DIRECTORS

The board of directors may, by motion adopted by a majority of the directors then in office, designate one

or more committees and its members, each consisting of two or more directors, to serve at the pleasure of the board of directors. The SPPOA Executive Director will serve on the committee. Only committee members who are directors may vote on any committee action or recommendation on which a vote is taken.

SECTION 6.2 EXECUTIVE COMMITTEE

The Executive Committee of the board of directors shall be composed of the president, the vice president / secretary, the treasurer, the Executive Director and any other officer appointed by the board of directors so long as the size of the Executive Committee does not constitute a quorum of the full board of directors.

ARTICLE VII. OFFICERS

SECTION 7.1 OFFICERS

The officers of the corporation shall be a president, a vice president a secretary, and a treasurer. The corporation may also have, at the discretion of the board of directors, a chairman of the board of directors, one or more additional vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 7.3. Any number of offices may be held by the same person, except that neither the vice president, secretary nor the treasurer may serve concurrently as either the president or the chairman of the board of directors.

SECTION 7.2 ELECTION OF OFFICERS

The officers of the corporation, except those appointed in accordance with the provisions of Section 7.3, shall be elected by the board of directors at the annual meeting in accordance with the procedure and timing set forth above with respect to the election of directors.. In the event an officer so elected is not eligible to so serve as a result of the director election outcome, such officer position shall be deemed vacant as of the annual meeting and filled in accordance with these Bylaws. The term of all officers appointed in accordance with the provisions of Section 7.3 shall end as of the Annual Meeting unless his or her appointment specifies otherwise.

SECTION 7.3 SUBORDINATE OFFICERS

The board of directors may appoint, and may authorize the chairman of the board of directors or the president or another officer to appoint, any other officers that the business of the corporation may require, each of whom shall have the title, hold office for the period, have the authority, and perform the duties specified in these Bylaws or determined from time to time by the board of directors.

SECTION 7.4 REMOVAL OF OFFICERS

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the board of directors, at any regular or special meeting of the board of directors.

SECTION 7.5 RESIGNATION OF OFFICERS

Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

SECTION 7.6 VACANCIES IN OFFICES

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled only in the manner prescribed in these Bylaws for regular election or appointment to that office, except that the procedure for any such election as set forth herein shall commence within no more than a month after such vacancy occurs without regard to the time of the annual meeting.

SECTION 7.7 RESPONSIBILITIES OF OFFICERS

a. Chairman of the Board of Directors. If such an officer be elected, the chairman of the board of directors shall preside at meetings of the board of directors and exercise and perform such other powers and duties as may be from time to time assigned to the Chair by the board of directors or prescribed by these Bylaws. During any temporary lack of a president, the chairperson of the board of directors shall, in addition, be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 7.7(b), and in the absence of such a chairperson, the vice president, in order of rank as fixed by the board of directors or, if not ranked, a vice president designated by the board of directors, shall serve as president pending election of a president or selection of a chairperson in accordance with these Bylaws.

b. President. Subject to such supervisory powers as may be given by the board of directors to the chairperson of the board of directors, if any, the president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, generally supervise, direct and control the business and the officers of the corporation. The president shall preside, in the absence of the chairman of the board of directors, or if there be none, at all meetings of the board of directors. The president shall have such other powers and duties as may be prescribed by the board of directors or by these Bylaws.

c. Vice President. The vice president(s) each shall have such powers and perform such duties as from time to time may be prescribed for him or her respectively by the board of directors or by these Bylaws.

d. Secretary.

The secretary shall attend to the following:

i. Book of Minutes. The secretary shall keep or cause to be kept, at the principal executive office or such other place as the board of directors may direct, a book of minutes of all meetings and actions of directors and committees of directors, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings, and the proceedings of such meetings.

ii. Director Records. The secretary shall keep, or cause to be kept, at the principal executive office or as determined otherwise by resolution of the board of directors, a record of the corporation's directors, showing the names of all directors and their addresses.

iii. Notices, Seal and Other Duties. The secretary shall give, or cause to be given, notice of all meetings of the board of directors required by these Bylaws to be given. The secretary shall have such other powers and perform such other duties as may be prescribed by the board of directors or by these Bylaws. If for any reason the secretary shall fail to give notice of any special meeting of the board of directors called by one or more of the persons identified in Section 5.8(a), then any such person or persons may give notice of any such special meeting.

e. Treasurer.

The treasurer shall attend to the following:

i. Books of Account. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements. The books of account shall be open in inspection by any director at all reasonable times.

ii. Deposit and Disbursement of Money and Valuables. The treasurer shall deposit all money and other

valuables in the name and to the credit of the corporation with such depositories as may be designated by the board of directors; shall disburse the funds of the corporation as may be ordered by the board of directors; shall render to the president and directors, whenever they request it, an account of all of his transactions as treasurer and of the financial condition of the corporation, or shall cause such actions to occur; and, shall have such other powers and perform such other duties as may be prescribed by the board of directors or by these Bylaws.

SECTION 7.8 PROFESSIONAL STAFF

The Executive Director shall be the senior staff officer hired by the board of directors, and will serve at the pleasure of the board of directors. The Executive Director shall be directly responsible to the president, and under the Board's direction shall carry out the functions required to implement the programs and activities of the corporation and manage the day-to-day affairs of the corporation. The Executive Director, with the approval of the board of directors, may employ or contract with additional staff members needed to adequately perform the prescribed duties.

ARTICLE VIII. INDEMNIFICATION AND INSURANCE

SECTION 8.1 INDEMNIFICATION

a. Right of Indemnity. To the full extent permitted by law, this corporation shall indemnify its directors, officers, employees and other persons described in Section 7237(a) of the California Corporation Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any "proceeding," as that term is used in such Section and including an action by or in the right of the corporation, by reason of the fact that such person is or was a person described by such Section. "Expenses", as used in this Bylaw, shall have the same meaning as in Section 7237(a) of the California Corporation Code.

b. Approval of Indemnity. Upon written request to the board of directors by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporation Code, the board of directors shall promptly determine in accordance with Section 7237(e) of the Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the board of directors shall authorize indemnification. If the board of directors cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought is such as to prevent the formation of a quorum of directors who are not parties to such proceeding, the board of directors or the attorney or other person rendering services in connection with the defense shall apply to the court in which such proceeding is or was pending to determine whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met.

c. Advancement of Expenses. To the full extent permitted by law and except as is otherwise determined by the board of directors in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by these Bylaws shall be advanced by the corporation prior to the final disposition of the proceeding upon receipt by the corporation of an undertaking by or on behalf of such person that the advance will be repaid unless it is ultimately determined that such person is entitled to be indemnified by the corporation therefore.

SECTION 8.2 INSURANCE

The corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees and other agents of the corporation, against any liability asserted against or incurred by an officer, director, employee or agent in such capacity or arising out of the officer's, director's, employee's or agent's status as such.

ARTICLE IX. RECORDS AND REPORTS

SECTION 9.1 MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep:

- a. Adequate and correct books and records of account;
- b. Minutes in written form of the proceedings of its board of directors and standing committees of the board of directors.

SECTION 9.2 MAINTENANCE AND INSPECTION BY DIRECTORS

The corporation shall keep at its principal executive office the original or a copy of the Articles and Bylaws as amended to date. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the corporation and each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

SECTION 9.4 ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS

Except as provided under Section 8322 of the California Corporations Code, the corporation shall prepare annually and furnish to each director a statement of any transaction or indemnification of the following kind within one hundred twenty (12) days after the close of the fiscal year of the corporation.

- a. Any transaction to which the corporation, its parent or its subsidiary was a party, and in which any director or officer of the corporation, its parent or subsidiary (but mere common directorship shall not be considered such an interest) had a direct or indirect material financial interest, if such transaction involved over fifty thousand dollars (\$50,000), or was one of a number of transactions with the same person involving, in the aggregate, over fifty thousand dollars (\$50,000).
- b. Any indemnifications or advances aggregating more than ten thousand dollars (\$10,000) paid during the fiscal year in any officer or director of the corporation pursuant to Article VIII hereof.
- c. The statement shall include a brief description of the transaction, the names of the director(s) or officer(s) involved, their relationship to the corporation, the nature of such person's interest in the transaction and, where practicable, the amount of such interest; provided, that in the case of a partnership in which such person is a partner, only the interest of the partnership need be stated.

SECTION 9.5 CONTRACTS, ETC., HOW EXECUTED

The board of directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, Executive Director, agent or agents to execute any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; and unless so authorized by the board of directors, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount. Notwithstanding the foregoing, the aggregate dollar amount of contracts entered into by the corporation in respect of any year shall not exceed the corporation's total income for that year.

ARTICLE X. CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the

California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular and the term "person" includes a natural person, corporation, partnership, joint venture, trust or other entity.

ARTICLE XI. AMENDMENTS

Except as otherwise provided in these Bylaws, the board of directors may adopt, amend, or repeal Bylaws.

CERTIFICATE OF SECRETARY(IES)

I, the undersigned, certify that I am the presently elected and acting Secretary of the SAN PEDRO PROPERTY OWNERS ALLIANCE, a California nonprofit mutual benefit corporation, and the above Bylaws, consisting of __ pages, are the Bylaws of the Corporation as adopted at a meeting of the board of directors held on August 12, 2008 and revised on _____, 2017.

Signed: _____ Dated: _____

Robert Iannessa, SPPOA Co-Secretary

Signed: _____ Dated: _____

Roger Cosgrove, SPPOA Co-Secretary